Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SU-00023-2010.00

Public Service Company of Colorado
Tiffany Compressor Station
Southern Ute Indian Reservation
La Plata County, Colorado

1. Facility Information

a. Location

The Tiffany Compressor Station, owned and operated by Xcel Energy, dba Public Service Company of Colorado (PSCo), is located within the exterior boundary of the Southern Ute Indian Reservation, in the southwestern part of the State of Colorado. The exact location is Section 4, T32N, R6W, in La Plata County, Colorado. The mailing address is:

Public Service Company of Colorado
Tiffany Compressor Station
1800 Larimer Street, Suite 1300
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b. Contacts

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c. Description of Operations

The Tiffany Compressor Station conditions natural gas to pipeline quality for delivery to PSCo customers. The facility compresses natural gas using three compression engines and removes water from the gas stream (dehydration) with three triethylene glycol (TEG) dehydrators. The natural gas is then odorized and delivered into a PSCo pipeline that provides natural gas to Pagosa Springs, the San Luis Valley, and other PSCo mountain customers. This source is classified as a natural gas transmission facility defined under Standard Industrial Classification 4922. The facility does not extract natural gas liquids (NGLs) from field gas, nor fractionate mixed NGL to natural gas products.

Air pollutant emissions are primarily from three internal combustion engines which drive the compressors, and from the three TEG dehydration units. All engines are White Superior model 8G825 4-cycle engines, fired only on natural gas, site rated at 660 horsepower (hp) each, and exhaust individually to the atmosphere. Dehydrator units D001, D002 and D003 have the potential to emit VOCs and HAPs, including benzene, toluene, xylene and n-hexane from their still vents.

d. List of All Units and Emission-Generating Activities

PSCo provided the information contained in Tables 1 and 2 in its part 71 permit renewal application. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as "insignificant" are listed separately in Table 2.

Table 1 - Emission Units
Public Service Company of Colorado - Tiffany Compressor Station

Emission Unit Id.	Description	Control Equipment
	Three White Superior model 8G825 Compressor Engines, 660 bhp, natural gas fired	
E001	serial no. 21086, installed 11/15/74	None
E002	serial no. 268139, installed 1/1/77	None
E003	serial no. 274239, installed 1/1/80	None
	Two 0.58 mmscf/hr Triethylene Glycol Dehydrators, manufactured by Production Equipment Corporation	
D001	contactor tower serial number: 1006, installed 1974	None
D002	contactor tower serial number: 1065, installed 1974	None
	One 0.17 mmscf/hr Triethylene Glycol Dehydrator, manufactured by J. W. Williams	
D003	contactor tower serial number: 997, installed 2003	None

Part 71 allows sources to separately list in the permit application units or activities that qualify as "insignificant" based on potential emissions below 2 tpy for all regulated pollutants that are not listed as hazardous air pollutants (HAPs) under section 112(b) of the Clean Air Act (CAA) and below 1,000 lbs per year or the de minimus level established under Section 112(g), whichever is lower, for HAP emissions. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the fee. Units that qualify as "insignificant" for the purposes of the part 71 application are in no way exempt from applicable requirements or any requirements of the part 71 permit.

PSCo stated in its part 71 renewal permit application that the emission units in Table 2, below, are insignificant. The application provided emission calculations for reboiler emissions and an emergency generator using current American Petroleum Institute emission factors. According to PSCo, the liquids in the tanks contain virtually no VOCs and therefore the tanks would not exceed the insignificant source emission criteria. PSCo provided sufficient information, including material safety and data sheets and EPA Tanks 4.0 calculations, to verify any emissions from liquids in the tanks were truly insignificant. FIRE Version 5.0 emission factors were used to determine the insignificance status of the smart ash burner. This data supports the source's claim that these units qualify as insignificant.

Table 2 -- Insignificant Emission Units
Public Service Company of Colorado - Tiffany Compressor Station

Description
2 Glycol reboiler burners for units D001 and D002, rated at 0.625 mmBtu/hr
Glycol reboiler burner for units D003, rated at 0.35 mmBtu/hr
2 – 500 gallon triethylene glycol above ground storage tanks
1,057 gallon ethylene glycol coastal 50 coolant above ground tank
35 kW Generac emergency generator
5 – separator radiant heaters, rated at 0.025 mmBtu/hr (total)
1,100 gallon oil tank
560 gallon used oil underground tank
2,000 gallon water/oil tank
Elastec Inc. Smart Ash Burner
Two window-mounted air conditioning units

e. Facility Construction and Permitting History

The Tiffany Compressor Station commenced operation in 1974 with one engine (E001) and two dehydrators (D001and D002). Two additional engines (E002 and E003) were later added to the facility, one in 1977 and one in 1980. In 2003, PSCo installed a third dehydrator, D003. No pre-construction permitting requirements were triggered by these construction activities. EPA issued an initial part 71 permit to Tiffany Compressor Station on November 22, 2000. A first renewal permit was issued by EPA on December 6, 2005. EPA received an application for a second renewal for the Tiffany Compressor Station part 71 permit on June 14, 2010.

EPA received a notification on April 12, 2011 from PSCo to update the Responsible Official information for the facility. The updated primary and alternate Responsible Officials have been included in this final permit action.

EPA has no record of any other federal permitting activity, such as PSD or minor New Source Review (NSR), at this facility.

f. Potential To Emit

Under 40 CFR 52.21, potential to emit (PTE) is defined as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation, or the effect it would have on emission, is federally enforceable.

The PTE for Tiffany Compressor Station was listed by PSCo in Forms "GIS", "PTE", and the various forms "EMISS" of the renewal part 71 operating permit application. Table 3 shows PTE data broken down by each individual emission unit, as well as the total facility-wide PTE.

Table 3 - Potential to Emit (uncontrolled)
Public Service Company of Colorado – Tiffany Compressor Station

Emission Unit ID	Regulated Air Pollutants[1,2] in tpy (uncontrolled)								
	NO_X	VOC	SO_2	PM_{10}	CO	Lead	Total HAPs	CH_2O	Largest Single HAP (Xylene)
E-001	86.0	2.9	0.0	0.2	66.0	0.0	0.7	0.5	0.0
E-002	86.0	2.9	0.0	0.2	66.0	0.0	0.7	0.5	0.0
E-003	86.0	2.9	0.0	0.2	66.0	0.0	0.7	0.5	0.0
D-001	0.0	5.0	0.0	0.0	0.0	0.0	3.5	0.0	1.8
D-002	0.0	5.0	0.0	0.0	0.0	0.0	3.5	0.0	1.8
D-003	0.0	1.9	0.0	0.0	0.0	0.0	1.2	0.0	0.6
IEUs	1.1	0.5	0.1	0.2	1.7	0.0	0.0	0.0	0.0
TOTAL*	259.1	21.1	0.1	0.8	199.7	0.0	10.3	1.5	4.2

1. Uncontrolled engine NO_x emissions based on stack test data. CO and VOC emissions are based on manufacturer supplied emission factors. AP-42 emission factors were used for all other engine emissions.
2. Uncontrolled dehydrator emissions based on GRI GLY-Calc modeled emissions.

2. Tribe Information

a. Indian country

PSCo's Tiffany Compressor Station is located within the exterior boundaries of the Southern Ute Indian Reservation and is thus within Indian country as defined at 18 U.S.C. §1151. The Southern Ute Tribe does not have a federally-approved Clean Air Act (CAA) title V operating permits program nor does EPA's approval of the State of Colorado's title V program extend to Indian country. Thus, EPA is the appropriate governmental entity to issue the title V permit to this facility.

b. The reservation

The Southern Ute Indian Reservation is located in southwestern Colorado adjacent to the New Mexico boundary. Ignacio is the headquarters of the Southern Ute Tribe, and Durango is the closest major city, just 5 miles outside of the north boundary of the Reservation. Current information indicates that the population of the Tribe is about 1,450 people with approximately 410 tribal members living off the Reservation. In addition to Tribal members, there are over 30,000 non-Indians living within the exterior boundaries of the Southern Ute Reservation.

c. Tribal government

The Southern Ute Indian Tribe is governed by the Constitution of the Southern Ute Indian Tribe of the Southern Ute Indian Reservation, Colorado adopted on November 4, 1936 and subsequently amended and approved on October 1, 1975. The Southern Ute Indian Tribe is a federally recognized Tribe pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat.984), as amended by the Act of June 15, 1935 (49 Stat. 378). The governing body of the Southern Ute Indian Tribe is a seven member Tribal Council, with its members elected from the general membership of the Tribe through a yearly election process. Terms of the Tribal Council are three years and are staggered so in any given year 2 members are up for reelection. The Tribal Council officers consist of a Chairman, Vice-Chairman and Treasurer.

d. Local air quality

The Tribe maintains an air monitoring network consisting of two stations equipped to measure ambient concentrations of oxides of nitrogen (reporting the parameters NO, NO_2, and NO_x), ozone (O_3), CO, and $PM_{2.5}$, and to collect meteorological data. The AQS database has data from the Southern Ute Tribe for NO_2 and O_3 data at the Ignacio, Colorado station (AQS identification number 08-067-7001) and the Bondad, Colorado station (AQS identification number 08-067-7003) since 1990 and 1997, respectively. The CO channel at the Ignacio station has been reporting to AQS in 2004, and both stations began reporting NO and NO_x data to AQS in 2001. In 2000, both stations initiated meteorological monitors measuring wind speed, wind direction, vertical wind speed, outdoor temperature, relative humidity, solar radiation, and rain/snowmelt precipitation. Reporting of vertical wind speed data from both stations terminated on July 1, 2007. Particulate data (PM_{10}) was collected from December 1, 1981 to September 30, 2006 at the Ignacio station and from April 1, 1997 to September 30, 2006 at the Bondad station. Both stations began reporting $PM_{2.5}$ in 2009. The Tribe reports hourly data to AQS for the criteria pollutants being monitored (NO_2, O_3, and CO), allowing AQS users to retrieve data that can be compared to any of the National Ambient Air Quality Standards for these pollutants.

3. Applicable Requirements

The following discussion addresses some of the regulations from the Code of Federal Regulations (CFR) at title 40. Note, that this discussion does not include the full spectrum of potentially applicable regulations and is not intended to represent official applicability determinations. These discussions are based on the information provided by PSCo in the most recent part 71 application and are only intended to present the information certified to be true and accurate by the Responsible official of this facility.

Prevention of Significant Deterioration (PSD) – 40 CFR 52.21

PSD is a preconstruction review requirement of the CAA that applies to proposed projects that are sufficiently large (in terms of emissions) to be a "major" stationary source or "major" modification of an existing stationary source. A new stationary source or a modification to an existing minor stationary source is major if the proposed project has the potential to emit any pollutant regulated under the CAA in amounts equal to or exceeding specified major source

thresholds, which are 100 tpy for 28 listed industrial source categories and 250 tpy for all other sources. PSD also applies to modifications at existing major sources that cause a "significant net emissions increase" at that source. Significance levels for each pollutant are defined in the PSD regulations at 40 CFR 52.21. A modification is a physical change or change in the method of operation.

Tiffany Compressor Station does not belong to any of the 28 listed source categories. Therefore, the potential to emit threshold for determining PSD applicability for this source is 250 tpy. Stack test data was used to calculate the PTE for NO_x for emission units E-001, E-002, and E-003 in the recent part 71 renewal permit application. As a result, the PTE for NO_x at Tiffany Compressor Station exceeds 250 tpy and the source is now classified as major for PSD permitting purposes. Therefore, potential emissions from any newly proposed construction from this point forward must be compared to the PSD significance levels rather than major source thresholds when determining PSD applicability.

Based on the information provided by PSCo, there have been no significant increases in the PTE for NO_x at the facility since 1980. The only modifications to the facility with the potential to increase NO_x emissions were the installation of the reboiler for D-003, the emergency generator, and the five radiant heaters. According to PSCo, the potential emissions increase resulting from these modifications was below the significance threshold of 40 tpy for NO_x; therefore, the facility was not required to obtain a PSD permit.

New Source Performance Standards (NSPS)

40 CFR Part 60, Subpart A: General Provisions. This subpart applies to the owner or operator of any stationary source which contains an affected facility, the construction or modification of which is commenced after the date of publication of any standard in part 60. The general provisions under subpart A apply to sources that are subject to the specific subparts of part 60.

As explained below, Tiffany Compressor Station is not subject to any specific subparts of part 60; therefore, the General Provisions of part 60 do not apply.

40CFR Part 60, Subpart Dc: Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units. This rule applies to steam generating units with a maximum design heat capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr.

According to PSCo, Tiffany Compressor Station does not operate any heaters with a maximum design heat input capacity greater than or equal to 10 MMBtu/hr; therefore, subpart Dc does not apply.

40 CFR Part 60, Subpart K: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. 40 CFR part 60, subpart K does not

apply to storage vessels for petroleum or condensate stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

According to PSCo, Tiffany Compressor Station does not have any tanks with a storage capacity greater than 40,000 gallons onsite; therefore, subpart K does not apply.

40 CFR Part 60, Subpart Ka: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to June 23, 1984. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart Ka does not apply to petroleum storage vessels with a capacity of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer.

According to PSCo, Tiffany Compressor Station does not have any tanks with a storage capacity greater than 40,000 gallons onsite; therefore, subpart Ka does not apply.

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 75 cubic meters (471 bbl).

According to PSCo, Tiffany Compressor Station does not have any tanks with a storage capacity greater than 75 cubic meters onsite; therefore, subpart Kb does not apply.

40 CFR Part 60, Subpart GG: Standards of Performance for Stationary Gas Turbines. This rule applies to stationary gas turbines, with a heat input at peak load equal to or greater than 10.7 gigajoules per hour (10 MMBtu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

According to PSCo, there are no stationary gas turbines located at Tiffany Compressor Station; therefore, subpart GG does not apply.

40 CFR part 60, Subpart JJJJ: Standards of Performance for Stationary Spark Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary spark ignition (SI) internal combustion engines (ICE) that commenced construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified manufacture trigger dates. The manufacture trigger dates are based on the engine type, fuel used, and maximum engine horsepower.

For the purposes of this subpart, the date that construction commences is the date the engine is ordered by the owner or operator (See 40 CFR 60.4230(a)).

PSC0 provided the following information:

Table 4 – NSPS Subpart JJJJ Applicability Determination
Public Service Company of Colorado - Tiffany Compressor Station

Unit	Serial Number	Unit Description	Fuel	BHP	Manufacture/ Commence Construction, Modification, or Reconstruction Date	Install/ Startup Date	Trigger Date for Applicability - Manufactured on or after
E-001	21086	White Superior 8G825, 4SRB compressor engine	Natural gas	660	Manufactured: Prior to June 12, 2006[a]	11/15/1974	7/1/2007
E-002	268139	White Superior 8G825, 4SRB compressor engine	Natural gas	660	Manufactured: Prior to June 12, 2006[a]	1/1/1977	7/1/2007
E-003	274239	White Superior 8G825, 4SRB compressor engine	Natural gas	660	Manufactured: Prior to June 12, 2006[a]	1/1/1980	7/1/2007

a. Per PSCO, these engines have not been modified or reconstructed (as defined in part 60) since installation.

According to PSCo, the three White Superior 8G825 engines were manufactured prior to July 1, 2007 (trigger date for rich burn engine with a maximum engine power greater than or equal to 500 hp). The engines have not been modified or reconstructed since June 12, 2006. Therefore, subpart JJJJ does not apply.

40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants. This rule applies to compressors and other equipment at onshore natural gas processing facilities. As defined in this subpart, a natural gas processing plant is any processing site engaged in the extraction of natural gas liquids (NGLs) from field gas, fractionation of mixed NGLs to natural gas products, or both. NGLs are defined as the hydrocarbons, such as ethane, propane, butane, and pentane that are extracted from field gas.

According to PSCo, Tiffany Compressor Station does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus it does not met the definition of a natural gas processing plant under this subpart. Therefore, subpart KKK does not apply.

40 CFR Part 60, Subpart LLL: Standards of Performance for Onshore Natural Gas Processing; SO_2 Emissions. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H_2S) and carbon dioxide (CO_2) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H_2S and CO_2) removed by a sweetening unit.

According to PSCo, Tiffany Compressor Station has no sweetening or sulfur recovery units. Therefore, subpart LLL does not apply.

National Emissions Standards for Hazardous Air Pollutants (NESHAP)

40 CFR Part 63, Subpart A: General Provisions. This subpart contains national emissions standards for HAPs that regulate specific categories of sources that emit one or more HAP

regulated pollutants under the CAA. The general provisions under subpart A apply to sources that are subject to the specific subparts of part 63.

As explained below, Tiffany Compressor Station is subject to the August 20, 2010 revisions to 40 CFR part 63, subpart ZZZZ. Therefore, the General Provisions of part 63 do apply. However, the final compliance date for the three engines subject to subpart ZZZZ is not until October 19, 2013 and there are no applicable requirements to be placed into the permit at this time. PSCo is required to fully comply with all applicable requirements of subpart A on or before the compliance date of October 19, 2013.

40 CFR Part 63, Subpart HH: National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. This subpart applies to the owners and operators of affected units located at natural gas production facilities that are major sources of HAPs, and that process, upgrade, or store natural gas prior to the point of custody transfer, or that process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. The affected units are glycol dehydration units, storage vessels with the potential for flash emissions, and the group of ancillary equipment, and compressors intended to operate in volatile hazardous air pollutant service, which are located at natural gas processing plants.

According to the information provided by PSCo, Tiffany Compressor Station does not meet the definition of a production field facility under this rule. Therefore, this subpart does not apply.

40 CFR Part 63, Subpart HHH: National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. This subpart applies to natural gas transmission and storage facilities that transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user, and that are a major source of hazardous air pollutant (HAP) emissions. Natural gas transmission means the pipelines used for long distance transport (excluding processing).

The Tiffany Compressor Station accepts gas from a number of producers. At the inlet to the plant, there is a custody transfer of the gas to PSCo. There are no liquid removal operations at the station, and no gas processing occurs downstream of the station before distribution to the customer. Thus, the Tiffany Compressor Station is a transmission facility potentially subject to this subpart.

PSCo provided potential emissions data for the emitting units at this station. This source has potential emissions below the major source thresholds of 25 tpy total HAPs and 10 tpy for any single HAP. Thus, the Tiffany Compressor Station is not subject to this subpart because it is not a major source of HAP emissions.

40 CFR Part 63, Subpart ZZZZ (MACT ZZZZ): National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. This rule establishes national emission limitations and operating limitations for HAPs emitted from stationary spark ignition internal combustion engines (SI ICE) and stationary compression ignition internal combustion engines (CI ICE).

For the purposes of this standard, construction or reconstruction is as defined in §63.2.

Summary of Applicability to Engines at Major HAP Sources

Major HAP Sources			
Engine Type	**Horse Power Rating**	**New or Existing?**	**Trigger Date**
SI ICE – All[1]	≥ 500 hp	New	On or After 12/19/2002
SI ICE – 4SRB	> 500 hp	Existing	Before 12/19/2002
SI ICE – All[1]	≤ 500 hp	New	On or After 6/12/2006
SI ICE - All[1]	≤ 500 hp	Existing	Before 6/12/2006
CI ICE - All[2]	≥ 500 hp	New	On or After 12/19/2002
CI ICE – Non Emergency	> 500 hp	Existing	Before 12/19/2002
CI ICE – All[2]	≤ 500 hp	New	On or After 6/12/2006
CI ICE – All[2]	≤ 500 hp	Existing	Before 6/12/2006

1. All includes emergency ICE, limited use ICE, ICE that burn land fill gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency ICE and limited use ICE

Summary of Applicability to Engines at Area HAP Sources

Area HAP Sources			
Engine Type	**Horse Power Rating**	**New or Existing?**	**Trigger Date**
SI ICE - All[1]	All hp	New	On or After 6/12/2006
SI ICE - All[1]	All hp	Existing	Before 6/12/2006
CI ICE - All[2]	All hp	New	On or After 6/12/2006
CI ICE - All[2]	All hp	Existing	Before 6/12/2006

1. All includes emergency ICE, limited use ICE, ICE that burn land fill or digester gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency ICE and limited use ICE

Applicability of 40 CFR 63, subpart ZZZZ to Tiffany Compressor Station:

Table 5 – RICE MACT Applicability Determination
Public Service Company of Colorado - Tiffany Compressor Station

Unit	**Serial Number**	**Unit Description**	**Fuel**	**BHP**	**Commenced Construction, Modification, or Reconstruction Date**	**Subpart ZZZZ Requirements**
E-001	21086	White Superior 8G825, 4SRB compressor engine	Natural gas	660	11/15/1974	Subject – 10/19/2013 (Existing)
E-002	268139	White Superior 8G825, 4SRB compressor engine	Natural gas	660	1/1/1977	Subject – 10/19/2013 (Existing)
E-003	274239	White Superior 8G825, 4SRB compressor engine	Natural gas	660	1/1/1980	Subject – 10/19/2013 (Existing)

Tiffany Compressor Station is an area HAP source with total HAP emissions less than 25 tpy and single HAP emissions less than 10 tpy. The compressor engines (emission units E-001, E-002, and E-003) are subject to the August 20, 2010 revisions to MACT ZZZZ for existing units at areas sources of HAPs. However, the final compliance date for the three compressor engines is not until October 19, 2013.

According to 40 CFR 71.7(f)(i), issued operating permits shall be reopened for cause if an additional applicable requirement under the Clean Air Act becomes applicable to a major part 71 source with a remaining permit term of 3 or more years. Since there will be less than 3 years remaining on the permit term at the time of the compliance deadline for the three compressor engines, EPA is not adding any future emission limitations or operating requirements for the engines into the permit at this time. However, PSCo is required to fully comply with any applicable requirements of subpart ZZZZ on or before the final compliance date of October 19, 2013.

Compliance Assurance Monitoring (CAM) Rule

40 CFR Part 64: Compliance Assurance Monitoring Provisions. According to 40 CFR 64.2(a), the CAM rule applies to each Pollutant Specific Emission Unit (PSEU) at a major source that is required to obtain a part 70 or part 71 permit if the unit satisfies all of the following criteria:

1) The unit is subject to an emission limitation or standard for the applicable regulated air pollutant other than an emissions limitation or standard that is exempt under §64.2(b)(1);

"§64.2(b)(1): Exempt emission limitations or standards. The requirements of this part shall not apply to any of the following emission limitations or standards:

(i) Emission limitations or standards proposed by the Administrator after November 15, 1990 pursuant to Section 111 or 112 of the Act;
(ii) Stratospheric ozone protection requirements under title VI of the Act;
(iii) Acid Rain Program requirements pursuant to Sections 404, 405, 406, 407(a), 407(b) or 410 of the Act;
(iv) Emissions limitations or standards or other applicable requirements that apply solely under an emissions trading program approved or promulgated by the Administrator under the Act that allows for trading emissions with a source or between sources;
(v) An emissions cap that meets the requirements specified in §70.4(b)(12) or §71.6(a)(13)(iii) of this chapter;
(vi) Emission limitations or standards for which a part 70 or 71 permit specifies a continuous compliance determination method, as defined in §64.1."

"§64.1: Continuous compliance method means a method, specified by the applicable standard or an applicable permit condition, which:

(1) Is used to determine compliance with an emission limitation or standard on a continuous basis, consistent with the averaging period established for the emission limitation or standard; and

(2) Provides data either in units of the standard or correlated directly with the compliance limit."

2) The unit uses a control device to achieve compliance with any such limit or standard; and

3) The unit has pre-control device emissions of the applicable regulated pollutant that are equal to or greater than 100 percent of the amount, in tons per year, required for a source to be classified as a major source.

According to PSCo, no PSEUs at Tiffany Compressor Station have pre-controlled emissions that exceed or equal 100% of major source thresholds. Therefore, the CAM requirements do not apply.

Chemical Accident Prevention Program

40 CFR Part 68: Chemical Accident Prevention Provisions. Based on PSCo's application, Tiffany Compressor Station currently does not manufacture, process, use, store, or otherwise handle regulated substances in excess of the threshold quantities in this rule and, therefore, is not subject to the requirement to develop and submit a risk management plan. However, PSCo has an ongoing responsibility to submit this plan IF a substance is listed that the total source has in quantities over the threshold amount or IF the total source ever increases the amount of any regulated substance above the threshold quantity.

Stratospheric Ozone and Climate Protection

40 CFR Part 82, Subpart F: Air Conditioning Units. According to PSCo, there are two air conditioning units at Tiffany Compressor Station that contain Class 1 or Class 2 refrigerants (chlorofluorocarbons (CFCs)). Therefore, Tiffany Compressor Station must comply with the standards of part 82, subpart F for recycling and emissions reduction if they service, maintain, or repair the air conditioning units in any way or if they dispose of the units.

40 CFR Part 82, Subpart H: Halon Fire Extinguishers. According to PSCo, there are no halon fire extinguishers at Tiffany Compressor Station. However, should PSCo obtain any halon fire extinguishers, then it must comply with the standards of 40 CFR part 82, subpart H for halon emissions reduction, if it services, maintains, tests, repairs, or disposes of equipment that contains halon or uses such equipment during technician training. Specifically, PSCo would be required to comply with 40 CFR part 82 and submit an application for a modification to this title V permit.

Mandatory Greenhouse Gas Reporting

40 CFR Part 98: Mandatory Greenhouse Gas Reporting. This rule requires sources above certain emission thresholds to calculate, monitor, and report greenhouse gas emissions. According to the definition of "applicable requirement" in 40 CFR 71.2, neither 40 CFR part 98, nor CAA §307(d)(1)(V), the CAA authority under which 40 CFR part 98 was promulgated, are listed as applicable requirements for the purpose of title V permitting. Although the rule is not

an applicable requirement under 40 CFR part 71, the source is not relieved from the requirement to comply with the rule separately from compliance with their part 71 operating permit. It is the responsibility of each source to determine applicability to part 98 and to comply, if necessary.

Conclusion

Since Tiffany Compressor Station is located in Indian country, the State of Colorado's implementation plan does not apply to this source. In addition, no tribal implementation plan (TIP) has been submitted and approved for the Southern Ute Tribe, and EPA has not promulgated a federal implementation plan (FIP) for the area of jurisdiction governing the Southern Ute Indian Reservation. Therefore, Tiffany Compressor Station is not subject to any implementation plan.

Based on the information provided in PSCo's applications for Tiffany Compressor Station, EPA has determined that the facility is subject only to those applicable federal CAA programs discussed above.

EPA recognizes that, in some cases, sources of air pollution located in Indian country are subject to fewer requirements than similar sources located on land under the jurisdiction of a state or local air pollution control agency. To address this regulatory gap, EPA is in the process of developing national regulatory programs for preconstruction review of major sources in nonattainment areas and of minor sources in both attainment and nonattainment areas. These programs will establish, where appropriate, control requirements for sources that would be incorporated into part 71 permits. To establish additional applicable, federally-enforceable emission limits, EPA Regional Offices will, as necessary and appropriate, promulgate FIPs that will establish federal requirements for sources in specific areas. EPA will establish priorities for its direct federal implementation activities by addressing as its highest priority the most serious threats to public health and the environment in Indian country that are not otherwise being adequately addressed. Further, EPA encourages and will work closely with all tribes wishing to develop TIPs for approval under the Tribal Authority Rule. EPA intends that its federal regulations created through a FIP will apply only in those situations in which a tribe does not have an approved TIP.

4. EPA Authority

a. General Authority to Issue Part 71 Permits

Title V of the CAA requires that EPA promulgate, administer, and enforce a federal operating permits program when a state does not submit an approvable program within the time frame set by title V or does not adequately administer and enforce its EPA-approved program. On July 1, 1996 (61 FR 34202), EPA adopted regulations codified at 40 CFR 71 setting forth the procedures and terms under which the Agency would administer a federal operating permits program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing federal operating permits to stationary sources in Indian country.

As described in 40 CFR 71.4(a), EPA will implement a part 71 program in areas where a state, local, or tribal agency has not developed an approved part 70 program. Unlike states, Indian tribes are not required to develop operating permits programs, though EPA encourages tribes to do so. See, e.g., Indian Tribes: Air Quality Planning and Management (63 FR 7253, February 12, 1998) (also known as the "Tribal Authority Rule"). Therefore, within Indian country, EPA will administer and enforce a part 71 federal operating permits program for stationary sources until a tribe receives approval to administer their own operating permits programs.

5. Use of All Credible Evidence

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source and EPA in such determinations.

6. Public Participation

a. Public Notice

There was a 30-day public comment period for actions pertaining to the draft permit. Public notice was given by providing notification of EPA's intent to issue the draft permit to the permit applicant, the affected state, tribal and local air pollution control agencies, the city and county executives, the state and federal land managers and the local emergency planning authorities which have jurisdiction over the area where the source is located. Notification was also provided to all persons who have submitted a written request to be included on the mailing list. Additionally, the general public in the affected community was notified by an advertisement in the local newspaper

If you would like to be added to our mailing list to be informed of future actions on these or other Clean Air Act permits issued in Indian country, please send your name and address to the contact listed below:

Part 71 Lead
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202-1129

Public notice was published in the Durango Herald on March 16, 2011, giving opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity for Comment

Members of the public were given an opportunity to review a copy of the draft permit prepared by EPA, the application, this Statement of Basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents were available at:

La Plata County Clerk's Office
98 Everett Street, Suite C
Durango, Colorado 81302

and

Southern Ute Indian Tribe
Environmental Programs Office
116 Mouache Drive
Ignacio, Colorado 81137

and

US EPA Region 8
Air Program Office
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202-1129

All documents were available for review at the U.S. EPA Region 8 office Monday through Friday from 8:00 a.m. to 4:00 p.m. (excluding federal holidays).

Any interested person could submit written comments on the draft part 71 operating permit during the public comment period to the Part 71 Permit Contact at the address listed above. EPA keeps a record of the commenters and of the issues raised during the public participation process. Any comments would have been considered and answered by EPA in making the final decision on the permit.

Anyone, including the applicant, who believed any condition of the draft permit was inappropriate could raise all reasonable ascertainable issues and submit all arguments supporting their position by the close of the public comment period. Any supporting materials submitted must have been included in full and may not have been incorporated by reference, unless the material was already submitted as part of the administrative record in the same proceeding or consisted of state or federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

No comments on the draft permit and Statement of Basis were received during the public comment period.

c. Opportunity to Request a Hearing

A person could submit a written request for a public hearing to the Part 71 Permit Contact, at the address listed in section 6.a above, by stating the nature of the issues to be raised at the public hearing. EPA did not receive any requests for a public hearing during the public comment period.

d. Appeal of Permits

Within 30 days after the issuance of a final permit decision, any person who filed comments on the draft permit or participated in the public hearing may petition to the Environmental Appeals Board to review any condition of the permit decision. Any person who failed to file comments or participate in the public hearing may petition for administrative review, only if the changes from the draft to the final permit decision or other new grounds were not reasonably foreseeable during the public comment period. The 30-day period to appeal a permit begins with EPA's service of the notice of the final permit decision.

The petition to appeal a permit must include a statement of the reasons supporting the review, a demonstration that any issues were raised during the public comment period, a demonstration that it was impracticable to raise the objections within the public comment period, or that the grounds for such objections arose after such a period. When appropriate, the petition may include a showing that the condition in question is based on a finding of fact or conclusion of law which is clearly erroneous; or, an exercise of discretion, or an important policy consideration that the Environmental Appeals Board should review.

The Environmental Appeals Board will issue an order either granting or denying the petition for review, within a reasonable time following the filing of the petition. Public notice of the grant of review will establish a briefing schedule for the appeal and state that any interested person may file an amicus brief. Notice of denial of review will be sent only to the permit applicant and to the person requesting the review. To the extent review is denied, the conditions of the final permit decision become final agency action.

A motion to reconsider a final order shall be filed within 10 days after the service of the final order. Every motion must set forth the matters claimed to have been erroneously decided and the nature of the alleged errors. Motions for reconsideration shall be directed to the Administrator rather than the Environmental Appeals Board. A motion for reconsideration shall not stay the effective date of the final order unless it is specifically ordered by the Board.

e. Petition To Reopen A Permit For Cause

Any interested person may petition EPA to reopen a permit for cause, and EPA may commence a permit reopening on its own initiative. EPA will only revise, revoke and reissue, or terminate a permit for the reasons specified in 40 CFR 71.7(f) or 71.6(a)(6)(i). All requests must be in writing and must contain facts or reasons supporting the request. If EPA decides the request is not justified, it will send the requester a brief written response giving a reason for the decision. Denial of these requests is not subject to public notice, comment, or hearings. Denials can be informally appealed to the Environmental Appeals Board by a letter briefly setting forth the relevant facts.

f. Notice To Affected States/Tribes

As described in 40 CFR 71.11(d)(3)(i), public notice was given by notifying the air pollution control agencies of affected states, tribal and local air pollution control agencies which have jurisdiction over the area in which the source is located, the chief executives of the city and county where the source is located, any comprehensive regional land use planning agency and any state or federal land manager whose lands may be affected by emissions from the source. The following entities were notified:

State of Colorado, Department of Public Health and Environment
State of New Mexico, Environment Department
Southern Ute Indian Tribe, Environmental Programs Office
Ute Mountain Ute Tribe, Environmental Programs
Navajo Tribe, Navajo Nation EPA
Jicarilla Tribe, Environmental Protection Office
La Plata County, County Clerk
Town of Ignacio, Mayor
National Park Service, Air, Denver, CO
U.S. Department of Agriculture, Forest Service, Rocky Mountain Region
San Juan Citizen Alliance
Carl Weston
WildEarth Guardians
La Plata County Assessor's Office